GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4459
ANSWERED ON:24.04.2008
EXPENDITURE ON PETROL PUMPS FOR DECORATION
Patel Shri Jivabhai Ambalal;Vasava Shri Mansukhbhai D.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) Whether petroleum companies have spent thousands of crores of rupees on decorating the petroleum outlets;

(b) the reasons for this huge expenditure on petrol pumps;

(c) whether oil PSUs have taken deliberate decisions to avoid giving dividends to the Government through such expenditure; and

(d) the action taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a)and(b): To sustain and improve their position in the current deregularized market and to combat the impact on their sales due to entry of private companies in petroleum retail marketing, all the Public Sector Oil Marketing Companies (OMCs) are spending resources on projecting their Retail Visual Identity (RVI) by providing basic facilities and value added services at their Petrol Pumps, in a phased manner for the convenience of their customers. This is necessary to increase and enhance their customer base and brand image in current competitive market.

(c)and(d): No, Sir. The expenditure spent by OMCs on RVI is very small as compared to cost incurred on marketing and distribution of petroleum products and has no impact or very little impact on the overall net profits of the OMCs. All the OMCs are contributing dividends as per guidelines, to the Government, regularly.